GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2580
ANSWERED ON:16.03.2007
SAVING CUM LENDING SCHEME FOR SHGS
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

(a) whether NABARD has launched a Saving-cum-Lending Scheme for Self Help Groups(SHGs) in collaboration with the Postal Department in some districts of the country;

(b) if so, the details thereof;

(c) whether any timeframe has been fixed to extend this scheme to other districts of the country; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(b) : Yes, Sir. NABARD had sanctioned Revolving Fund Assistance (RFA) of Rs.34 lakh to Post Master General, Tamilnadu Circle for providing credit to 200 SHGs in Kancheepuram and Pudukottai districts through selected post offices in Tamil Nadu in 2003. While the loans to SHGs are to be given at an interest rate of 9% per annum, the post office would be allowed to retain an interest margin of 3% out of the interest collected. Accordingly, the amount of actual interest collected from the SHGs would be shared between NABARD and Post Office in the ratio of 2:1.The identified Post Offices at field level would arrange to open savings accounts in the name of the SHGs promoted by the identified NGOs. The savings of the SHG should not be withheld by the post office as part of security towards the loan sanctioned The SHGs having savings account with the post office and which are 6 months old from the date of their first meeting after formation of SHG and commencement of savings are eligible to apply for loan. The post offices are to provide only term loans to the SHGs with a repayment period of two years.

(c) & (d) : The project is being implemented on a pilot basis in a few selected districts of Tamilnadu. The Project is to close by March 2010 and based on the experience further course of action/replication in other parts of the country is to be devised.